



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 21-50]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoD is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Neil Hedlund at neil.g.hedlund.civ@mail.mil
or (703) 697-9214.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 21-50 with attached Policy Justification.

Dated: March 16, 2023.

Aaron T. Siegel,

*Alternate OSD Federal Register Liaison Officer,
Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

August 4, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 21-50 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$134 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "Heidi H. Grant", is positioned below the word "Sincerely,".

Heidi H. Grant
Director

Enclosures:

1. Transmittal
2. Policy Justification

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Japan

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$134 million</u>
TOTAL	\$134 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):
None

Non-MDE:
Follow-On Technical Support (FOTS) of AEGIS Class Destroyers, to include sustainment support and services; AEGIS computer software updates, system integration and testing, in-country and on-site engineering support; familiarization, sustainment, and all necessary emergent support engineering and technical support services; operational support; system overhauls; system upgrades; on-the-job practical operations and maintenance; combat systems integration; development, testing, installation of program patches and adaptation data and annual service agreements; technical inquiries by the purchaser; operation; integration; maintenance; field service engineering; problem investigation; technical assistance; solutions to the technical problems arising from post production, testing capabilities and support, U.S. Government and contractor technical assistance, and other related elements of logistics and program support.

(iv) Military Department: Navy (JA-P-QHM)

(v) Prior Related Cases, if any: JA-P-QFA

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **August 4, 2021**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Japan – AEGIS Class Destroyer Support

The Government of Japan has requested to buy Follow-On Technical Support (FOTS) of AEGIS

Class Destroyers, to include sustainment support and services; AEGIS computer software updates, system integration and testing, in-country and on-site engineering support; familiarization, sustainment, and all necessary emergent support engineering and technical support services; operational support; system overhauls; system upgrades; on-the-job practical operations and maintenance; combat systems integration; development, testing, installation of program patches and adaptation data and annual service agreements; technical inquiries by the purchaser; operation; integration; maintenance; field service engineering; problem investigation; technical assistance; solutions to the technical problems arising from post production, testing capabilities and support, U.S. Government and contractor technical assistance, and other related elements of logistics and program support. The total estimated program cost is \$134 million.

This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a major ally that is a force for political stability and economic progress in the Asia-Pacific region. It is vital to U.S. national interest to assist Japan in developing and maintaining a strong and effective self-defense capability.

The proposed sale is critical to ensure Japan Maritime Self Defense Force's (JMSDF) Aegis Destroyer fleet and the Japanese Computer Program Test Sites (JCPTS) remain ready to provide capabilities in the defense of Japan. Specifically, the requested CPM services will provide JMSDF with software patches and adaptation data support that are vital to the effective and safe operations of the Aegis Combat Systems (ACS) suite. The in-country engineering and emergent support will assist JMSDF to address any malfunctions or faults that may arise with the ACS suite. Japan will have no difficulty absorbing these services and support into its armed forces.

The proposed sale of this equipment will not alter the basic military balance in the region.

The principal contractor will be Lockheed Martin Corporation, Moorestown, NJ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the temporary assignment of five (5) U.S. Government and two (2) contractor representatives to Japan.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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